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C O R R E C T E D C O P Y (GARBLED TEXT)

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TAGS: [PGOV](#) [PREL](#) [GR](#)
SUBJECT: GREECE: SLIGHT ND LEAD AS PRE-ELECTION CAMPAIGN
ENDS

REF: A. ATHENS 1834

- [1](#)B. ATHENS 1826
- [1](#)C. ATHENS 1804
- [1](#)D. ATHENS 1785
- [1](#)E. ATHENS 1682

Classified By: POLITICAL COUNSELOR ROBIN QUINVILLE.
REASONS 1.4 (B) AND (D).

[1](#)1. (C) SUMMARY: With Greek voters set to go to the polls on Sunday, most believe ruling New Democracy is poised to squeeze out a victory. Its parliamentary majority, however, will likely be modest. PASOK leader Papandreou has tried to make the election a referendum on the "right-wing" in power, but much of his message has been overshadowed by voters' continued doubts about his leadership. At the ND rally this evening, PM Karamanlis is expected to wind up his campaign with an acknowledgment that his government has not accomplished all its goals, but "we've gotten the message, learned our lesson, and can move forward." Karamanlis and FM Bakoyannis have again raised the Macedonia name issue in an effort to shore up votes against the small right-wing LAOS party. Much depends on the surprisingly large percentage of undecided voters, whose "protest votes" could result in a five-party parliament -- and make even an ND victory bittersweet. END SUMMARY.

DOWN TO THE WIRE

[1](#)2. (C) Greek voters go to the polls September 16 following a campaign of surprises. PM Karamanlis called the elections in mid-August before forest fires claimed scores of lives and devastated large parts of the country. Nevertheless, opposition attempts to exploit the government's slow response -- as well as the now almost-forgotten bond scandal -- have been less than successful. "Unpublished" party polls indicate, and most observers believe, that ruling ND will hold on to a modest parliamentary majority. Indeed, forty eight hours before the election, there has been a noticeable shift in TV and radio commentary toward a perceived ND victory of 43 or 44 percent. (NOTE: A party would need at least 42.3 percent of the vote to give it a majority in the 300-seat parliament. A 44-percent vote for ND would give it a workable majority of about 157 seats. END NOTE.)

[1](#)3. (C) Quick government action to pump money into the areas damaged by fires has apparently worked, improving ND's position. The proportion of undecided voters remains high, perhaps as high as 17 percent of the electorate. The votes ND seems to be losing (in comparison with its 45-percent

victory in 2004) will likely go to small parties rather than to PASOK. For that reason, the current four-party parliament may see the addition for the first time of far-right LAOS. But Karamanlis has been campaigning hard to keep LAOS from getting over the three-percent parliamentary threshold. He stated publicly that ND would not enter a coalition government (i.e., with LAOS) and promised that new elections would be held as soon as possible if a single-party government could not be formed.

PLAYING THE MACEDONIA CARD -- AGAIN

14. (C) Blocking LAOS is also likely behind Karamanlis's increasingly frequent rhetoric on the Macedonia name issue. Following on his statements at the September 6 candidates' debate and September 7 press conference (ref b), Karamanlis in Thessaloniki on September 13 reiterated his thinly-veiled threat to veto Macedonia's NATO accession if a mutually acceptable resolution of the name-issue were not found: "If they (Macedonia) won't display a practical inclination for a mutually acceptable name ...they themselves place obstacles in their way to Euro-Atlantic institutions." FM Dora Bakoyannis likewise criticized Skopje. If Macedonia did not work for a mutually acceptable solution, she argued in a statement posted on the MFA website, "Greece cannot and she won't be deprived of any of the capabilities that she has as a member of NATO and the European Union."

LAST-MINUTE RALLIES

15. (C) The major parties are winding up their campaigns with rallies in Athens. On September 13, in his last major speech of the campaign, PASOK leader Papandreou stuck to time-honored formulas, hoping to energize the party faithful and shut out the smaller leftist parties. Promising a "new
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contract" with the Greek people, PASOK would empower the less

fortunate, the students, housewives, pensioners, small shopkeepers, and the unemployed, who would be made to feel "proud" again. ND had brought "chaos" while PASOK would restore the economy, health and welfare, education, and other sectors ruined by the right. PM Karamanlis will make a final major appearance in Athens this evening, when he is also expected to reiterate familiar themes -- his government's economic and remaining reforms. He is also expected to acknowledge -- as he did in Thessaloniki -- that his government recognized it had made some mistakes, "has gotten the message," and would now move on with renewed determination.

COMMENT

16. (C) The month-long campaign followed little of the playbook PM Karamanlis had in mind when he called the election in mid-August. ND seems to have salvaged the situation and appears poised to hold a modest parliamentary majority. But the failure of the opposition to capitalize on the government's woes is as much a testimony to the PASOK leadership's weakness as to good ND policies and strategy. While some of PASOK's criticism of the handling of the fires has hit home, the smaller parties -- and not PASOK -- are the likely beneficiaries.

17. (C) If, as expected, ND gets a narrow victory, it may prove bittersweet. Should LAOS enter the parliament and ND return only a weak majority, it will be more difficult for ND to move forward on its agenda of "accelerating reforms." It will also make it more challenging for an ND government to work cooperatively with us on our bilateral agenda.

COUNTRYMAN